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14 SEAWORLD ENTERTAINMENT, INC.

15 IN THE UNITED STATES DISTRICT COURT
16 FOR THE SOUTHERN DISTRICT OF CALIFORNIA
17

18 HOLLY HALL, PAUL DANNER,
19 VALERIE SIMO, JOYCE KUHL, and
20 ELAINE BROWNE, individually and
on behalf of themselves and all others
similarly situated,

21 Plaintiffs,

22 v.

23 SEAWORLD ENTERTAINMENT,
24 INC.,

25 Defendant.

Civil Action No. 3:15-cv-660-CAB-
RBB

**MEMORANDUM OF POINTS
AND AUTHORITIES IN SUPPORT
OF DEFENDANT'S MOTION TO
DISMISS**

Motion Date: n/a

Time: n/a

Courtroom: 4C

Judge: Catherine Ann Bencivengo

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I. INTRODUCTION

Despite purportedly being brought on behalf of consumers under consumer protection statutes, this case is not about remedying consumer deception. It is about Plaintiffs' desire to control the public debate about animals in captivity. Plaintiffs (who do not purport to be scientists or killer whale experts) shout their anti-captivity views from the rooftops, but sue SeaWorld for statements that rest on actual scientific facts. Plaintiffs have tried to shoehorn their philosophical disagreements with SeaWorld into the confines of California, Florida, and Texas's consumer protection statutes, but the pieces simply do not fit. Those statutes were meant to protect consumers from false advertising of consumer goods and services, and not – as Plaintiffs seek – to silence those with whom the consumer disagrees.

Plaintiffs allege that SeaWorld made statements about the well-being of its killer whales, that Plaintiffs bought tickets to SeaWorld, and that Plaintiffs now believe SeaWorld's statements were false or misleading (or were true, but that SeaWorld omitted other statements Plaintiffs believe it should have made) in violation of California's Unfair Competition Law (UCL), Consumers Legal Remedies Act (CLRA), False Advertising Law (FAL), and deceit statute; Florida's unfair competition law; Texas's unfair competition law; and that this constitutes unjust enrichment. Plaintiffs purport to represent three nationwide classes – those that purchased tickets to the San Diego, Orlando, and San Antonio parks, respectively – in the four years prior to the filing of the original complaint. First Consolidated Amended Complaint (FAC) ¶ 283.

The real facts will show that SeaWorld made no false statements about its killer whales. But even assuming the truth of every alleged "fact" in the FAC, as the Court must do under Rule 12, the FAC still must be dismissed in its entirety, for multiple reasons. First, having chosen to pursue a consumer fraud theory, Plaintiffs have the burden of pleading their claims with the specificity required by Fed. R. Civ. P. 9(b). They do not come close to meeting those requirements. All of

1 Plaintiffs' claims fail because they are unable to allege with any specificity what
2 statements they relied upon when purchasing their SeaWorld tickets, or when or
3 how they purportedly learned that those statements were false. Plaintiffs also fail to
4 allege any facts establishing that SeaWorld was under a duty to disclose any
5 purportedly concealed information, relying instead on generalized conclusions that
6 would be insufficient even under the more liberal notice pleading standard, let alone
7 the heightened pleading standard applicable here.

8 Second, Plaintiffs' requests for injunctive relief must be dismissed because
9 Plaintiffs do not (and cannot) demonstrate a threat of repeated injury. Plaintiffs
10 allege that their "injury" is the money they spent on their SeaWorld tickets, but they
11 affirmatively plead that they would not have bought the tickets had they known
12 what they now believe to be the "true facts." Now knowing these purported "true
13 facts," Plaintiffs will not purchase future SeaWorld tickets. As such, they have pled
14 themselves out of court – they cannot establish the threat of repeated injury required
15 for Article III standing to seek injunctive relief.

16 Third, all of Plaintiffs' statutory causes of action (UCL, CLRA, FAL, Deceit,
17 FDUTPA, and Texas DTPA) fail to state a claim upon which relief can be granted
18 because each statute requires some injury or damages caused by a misrepresentation
19 about the item purchased that the consumer relied upon. This makes sense in the
20 context of a typical consumer protection claim (e.g., the product was labeled
21 "organic" but was not, or was advertised as "all natural" but contained artificial
22 ingredients). Here, Plaintiffs make no such claim. The items Plaintiffs purchased
23 were SeaWorld tickets, yet Plaintiffs do not and cannot plead any misrepresentation
24 made about the tickets (let alone that they relied on any such statements to their
25 detriment). Plaintiffs try to use these consumer protection statutes as a sword to
26 attack a company to which they have an ideological objection, but the statutes do
27 not allow this. To have standing for a UCL, CLRA, FAL, deceit, FDUTPA, or
28 Texas DTPA claim, Plaintiffs must have an injury that arose from a

1 misrepresentation about the item they purchased; here, there is none.

2 Fourth, the First Amendment bars Plaintiffs' UCL, CLRA, FAL, and
3 FDUTPA claims. Those statutes only apply to regulate commercial speech. Yet
4 the statements about which Plaintiffs seek to impose liability (to the extent this is
5 decipherable) are all noncommercial. They are not advertisements. They do not
6 purport to sell any product. They are educational statements setting forth
7 SeaWorld's side of the debate about killer whale captivity. Plaintiffs wish to freely
8 disseminate their views about the well-being of SeaWorld's whales, but sue
9 SeaWorld for expressing its view. The First Amendment bars this.

10 Fifth, the CLRA claim (and the UCL "unlawful" claim based on it) fail
11 because the statute only applies to transactions involving "goods" or "services," and
12 SeaWorld tickets are neither.

13 Finally, the unjust enrichment class claim fails because, as a matter of law,
14 such a claim is not susceptible to class treatment.

15 **II. THE FAC MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE**
16 **FAILED TO ALLEGE THEIR CLAIMS WITH THE REQUISITE**
17 **LEVEL OF SPECIFICITY**

18 The entirety of the FAC sounds in fraud. Plaintiffs allege that SeaWorld
19 fraudulently deceived the public through a campaign of both false statements and
20 material omissions regarding its killer whales. Consequently, all of Plaintiffs'
21 claims are subject to the heightened pleading requirements of Federal Rule of Civil
22 Procedure 9(b) (Rule 9(b)). Marolda v. Symantec Corp., 672 F. Supp. 2d 992, 1004
23 (N.D. Cal. 2009) (holding that claims under UCL, CLRA, and FAL are subject to
24 Rule 9(b) requirements); Stires v. Carnival Corp., 243 F. Supp. 2d 1313, 1322
25 (M.D. Fla. 2002) (holding that plaintiff's "FDUTPA claim should be plead with
26 particularity, and as plead, is insufficient."); Omni USA, Inc. v. Parker-Hannifin
27 Corp., 798 F. Supp. 2d 831, 836 (S.D. Tex. 2011) ("Claims alleging violations of
28 the . . . [Texas] Deceptive Trade Practices Act . . . are subject to the requirements of
Rule 9(b)."); Romero v. Flowers Bakeries, 2015 WL 2125004, at *9 (N.D. Cal.

May 6, 2015) (dismissing unjust enrichment claim for failure to satisfy Rule 9(b)).

A. Legal Standard

Rule 9(b) provides that: “[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake.” Fed. R. Civ. P. 9(b). To satisfy this standard, “averments of fraud must be accompanied by the who, what, when, where, and how of the misconduct charged.” A plaintiff must set forth more than the neutral facts necessary to identify the transaction. The plaintiff must set forth what is false or misleading about a statement and why it is false.” Peviani v. Natural Balance, Inc., 774 F. Supp. 2d 1066, 1071 (S.D. Cal. 2011) (internal citations omitted, emphasis added). “To satisfy Rule 9(b), Plaintiff must [also] state the time, place, and specific content of the false representations as well as the identities of the parties to the misrepresentation.” EcoDisc Tech. AG v. DVD Format/Logo Licensing Corp., 711 F. Supp. 2d 1074, 1085 (C.D. Cal. 2010) (emphasis added). This heightened pleading standard also applies to allegations of reliance. Noll v. eBay, Inc., 282 F.R.D. 462, 468 (N.D. Cal. 2012) (“A plaintiff must plead reliance on alleged misstatements with particularity” by alleging facts of sufficient specificity to allow a court to infer that the misrepresentations induced plaintiffs to pay for products or services) (emphasis added); see also Kearns v. Ford Motor Co., 567 F.3d 1120, 1125-26 (9th Cir. 2009) (specificity requirement applies to allegations of reliance).²

Similarly, claims for nondisclosure, as a species of fraud, must be pled with the particularity required under Rule 9(b). Kearns, 567 F.3d at 1127; see also Asghari v. Volkswagen Grp. of Am., Inc., 42 F. Supp. 3d 1306, 1325 (C.D. Cal. 2013) (“a plaintiff alleging fraudulent omission or concealment must still plead the

² Reliance is required for all of Plaintiffs’ claims other than the FDUTPA. See pp. 14, 18, and 19, infra for California claims; Tex. Bus. & Com. Code § 17.50(a)(1)(B) (Texas DTPA requires that plaintiff “relied” on the deceptive practice to his detriment); Davis v. Powertel, Inc., 776 So. 2d 971, 973 (Fla. Dist. Ct. App. 2000) (party asserting FDUTPA claim need not show actual reliance).

1 claim with particularity.”).

2 Where, as here, “an entire complaint ... is grounded in fraud and its
3 allegations fail to satisfy the heightened pleading requirements of Rule 9(b), a
4 district court may dismiss the complaint[.]” Vess v. Ciba-Geigy Corp. USA, 317
5 F.3d 1097, 1107 (9th Cir. 2003).

6 **B. Plaintiffs Do Not Plead Specific Facts Sufficient to State a Claim**
7 **for Actionable Misrepresentations**

8 While Plaintiffs’ Complaint is rife with allegedly false statements made by
9 SeaWorld regarding the health, safety and care of its killer whales, Plaintiffs do not
10 allege what statements they heard, when they heard them, what statements they
11 relied upon, or when or how they learned those statements were false, all of which
12 are fatal to their claims.

13 Indeed, with the exception of Hall, discussed below, Plaintiffs do not even
14 allege that any of them actually saw a single one of SeaWorld’s statements.³
15 Instead, when setting forth the allegations specific to them, Plaintiffs simply allege
16 that SeaWorld marketed its products generally throughout the country prior to
17 Plaintiffs’ purchasing their tickets. See FAC ¶¶ 250-272. An allegation that
18 SeaWorld markets its products to the public is not an allegation that Plaintiffs were
19 actually exposed to such marketing – let alone an allegation that provides the
20 specifics required by Rule 9(b). Frenzel v. AliphCom, 76 F. Supp. 3d 999, 1014
21 (N.D. Cal. Dec. 29, 2014) (dismissing UCL, CLRA, and FAL claims because
22 plaintiff did “not allege[] with sufficient detail what representations he reviewed,
23 when he first reviewed them, or which ones he relied on in deciding to purchase
24 [the product].”).

25
26 ³ Although Plaintiffs assert the FAC claim on behalf of themselves *and* the
27 unnamed class members, in ruling on this motion to dismiss, the Court should only
28 consider the allegations made by the named Plaintiffs. Speyer v. Avis Rent a Car
Sys., 415 F. Supp. 2d 1090, 1094 (S.D. Cal. 2005) (when considering a motion to
dismiss, the court only considers the claims of the named plaintiffs).

1 Nor do Plaintiffs allege what statements they relied on to their detriment.
 2 Instead, they vaguely allege that around the time they purchased their tickets,
 3 SeaWorld was misleadingly marketing its parks throughout the country and that
 4 they and others “relied upon this marketing to their detriment and deception.”
 5 FAC, ¶¶ 253 (Hall), 259 (Danner), 263 (Simo), 267 (Kuhl), 271 (Browne). The
 6 allegations of reliance specific to the claims are equally deficient. There, Plaintiffs
 7 conclude that “Plaintiffs and the Class have relied upon SeaWorld’s campaign of
 8 misrepresentations and material omissions regarding the treatment and condition of
 9 its captive orcas ...” or use similarly conclusory allegations. *Id.*, at ¶¶ 296, 324.
 10 This is precisely the type of “formulaic recitation of the elements of a cause of
 11 action” prohibited by the Supreme Court in *Bell Atl. Corp. v. Twombly*, 550 U.S.
 12 544, 555 (2007). Such allegations could not survive a motion to dismiss under Rule
 13 8, let alone the heightened 9(b) standard applicable here. *Turkalj v. Entra Default*
 14 *Solutions, LLC*, 2015 WL 1535545, at *5 (N.D. Cal. Apr. 6, 2015) (“[G]eneralized
 15 and conclusory allegation[s] of reliance [are] insufficient to sustain [a] fraud
 16 claim.”). Courts have dismissed fraud-based consumer protection claims where, as
 17 here, plaintiffs broadly pled reliance without providing specifics. *E.g., Frenzel*, 76
 18 F. Supp. 3d at 1014 (dismissing UCL, CLRA, and FAL claims for lack of
 19 specificity in pleading reliance where plaintiff alleged generally that he reviewed
 20 the defendant’s “marketing materials and representations” and purchased the
 21 product “based on those representations.”).

22 With respect to plaintiff Hall, the allegations again fail to satisfy Rule 9(b).
 23 Hall alleges that prior to purchasing her tickets, she heard “(false) statements and
 24 material omissions regarding [SeaWorld trainer Dawn Brancheau’s] death,
 25 including that Brancheau slipped into the tank and later that her death was caused
 26 by her pony tail being in the water.” FAC ¶ 250. With respect to the statement that
 27 Ms. Brancheau slipped into the tank, Plaintiff admits that the statement was made
 28 by the Orange County Sheriff’s Office, not SeaWorld. *Id.*, ¶ 170. This alleged

1 statement by a third party cannot be the basis for misrepresentation claims against
 2 SeaWorld. In alleging the second statement (that Ms. Brancheau's death was
 3 caused by her pony tail being in the water), Hall fails to properly allege who made
 4 the statement, when it was made, and when and how she heard it. Id., ¶ 250. See
 5 e.g., Beijing Tong Ren Tang (USA) Corp. v. TRT USA Corp., 2010 WL 890048, at
 6 *3 (N.D. Cal. Mar. 8, 2010) (dismissing claims that failed to allege the "who, what,
 7 when, where, and how of the misconduct charged.").

8 Hall also fails to allege why either of the alleged statements are false or
 9 misleading, simply concluding (in a parenthetical) that they are false. This is
 10 manifestly insufficient under Rule 9(b). Peviani, 774 F. Supp. 2d at 1071 ("The
 11 plaintiff must set forth what is false or misleading about a statement, and why it is
 12 false.") (emphasis added); Canard v. Bricker, 2015 WL 846997, at *5 (N.D. Cal.
 13 Feb. 25, 2015) ("Mere conclusory allegations of the statements' falseness are
 14 insufficient."). Hall then alleges that once she did her own research she uncovered
 15 the purported "true facts." FAC ¶¶ 254, 255. However, she fails to specifically
 16 identify the "true facts" she uncovered, when she uncovered those facts, the sources
 17 of that information and when that information was first available to the public, all
 18 of which permit the Court to infer that the alleged statements were not false at all.
 19 See e.g., In re Splash Tech. Holdings, Inc. Sec. Litig., 2000 WL 1727405, at *6
 20 (N.D. Cal. Sept. 29, 2000) (dismissing claims because "[p]laintiffs have failed to
 21 plead the falsity of these statements when made with sufficient particularity.").

22 While Hall does allege that she relied upon SeaWorld's allegedly false
 23 statement regarding Ms. Brancheau's death, these allegations are not sufficient.
 24 Hall does not allege how she relied on the statement, pleading only that subsequent
 25 to hearing SeaWorld's explanation regarding the death, she purchased tickets to
 26 SeaWorld. Moreover, Hall's defective allegations regarding reliance reveal another
 27 fatal flaw with her claims – the lack of any causal connection between the alleged
 28 misrepresentations regarding Ms. Brancheau's death (on which she purportedly

1 relied) and her claimed injuries. See e.g., Sateriale v. R.J. Reynolds Tobacco Co.,
 2 697 F.3d 777, 793 (9th Cir. 2012) (“Given the absence of an alleged causal
 3 connection between the alleged misrepresentations and the plaintiffs’ injuries, the
 4 district court properly dismissed the UCL claim.”); Pirozzi v. Apple, Inc., 966 F.
 5 Supp. 2d 909, 917 (N.D. Cal. 2013) (“there must be a causal connection between
 6 the injury and the conduct complained of – the injury has to be fairly traceable to
 7 the challenged action of the defendant ...”).

8 Hall alleges that after purchasing tickets to SeaWorld in 2011 and 2012, she
 9 watched the film *Blackfish*, conducted “her own further research regarding the
 10 treatment and conditions of Orcas at SeaWorld” and concluded that had she known
 11 the purported “true facts” regarding SeaWorld’s alleged “improper treatment of
 12 orcas” she would not have purchased those tickets. FAC, ¶¶ 254, 255. Hall does
 13 not allege, however, that her independent research “regarding the treatment and
 14 conditions of orcas at SeaWorld” (*id.*, ¶ 254) had anything to do with the
 15 mechanism of Ms. Brancheau’s death. Accordingly, there is no allegation that her
 16 discovery of the “true facts” regarding SeaWorld’s alleged “improper treatment of
 17 orcas” had anything to do with her alleged injury – her decision to buy tickets to
 18 SeaWorld based on the representations regarding Ms. Brancheau’s death.

19 **C. Plaintiffs Do Not Plead Specific Facts Sufficient to State a Claim**
 20 **for Actionable Non-Disclosure**

21 To the extent that Plaintiffs’ claims are based on alleged omissions which
 22 SeaWorld was obligated to disclose, their claims fail for failure to plead the source
 23 of the duty or the allegedly omitted information with the required level of
 24 specificity. Under California, Florida and Texas law, a plaintiff cannot state a
 25 claim for actionable non-disclosure without alleging that the defendant had a duty
 26 to speak. Such a duty can arise (1) from a fiduciary or other special relationship
 27 between the parties; (2) when the defendant has exclusive knowledge of material
 28 facts not reasonably accessible to the plaintiff; (3) when the defendant actively

1 conceals a material fact from the plaintiff; or (4) when the defendant misleads the
 2 plaintiff by making a partial representation. Elias v. Hewlett-Packard Co., 903 F.
 3 Supp. 2d 843, 856 (N.D. Cal. 2012); Friedman v. Am. Guardian Warranty Servs.,
 4 837 So. 2d 1165, 1166 (Fla. Dist. Ct. App. 2003) (recognizing that duty to disclose
 5 can arise from a fiduciary relationship or partial representation); Holland v.
 6 Thompson, 338 S.W.3d 586, 598 (Tex. App. 2010) (recognizing that duty to
 7 disclose can arise from a fiduciary relationship or partial representation).

8 (1) Plaintiffs Fail to Sufficiently Allege a Duty by SeaWorld to
 9 Disclose the Allegedly Withheld “True” Facts

10 In attempting to allege SeaWorld’s purported duty, Plaintiff simply
 11 concludes that the duty “arises from: (a) its superior and exclusive knowledge of
 12 these material facts, which were not known or reasonably accessible to Plaintiff and
 13 the Class; (b) its active concealment of these material facts; and (c) its marketing
 14 and sale of SeaWorld products, which is likely to mislead consumers, and has
 15 misled consumers, absent full disclosure of the material facts at issue.” FAC,
 16 ¶¶ 301 (UCL), 311 (CLRA), 335 (Deceit), 348 (FDUTPA), 361 (Texas DTPA).
 17 None of these conclusory allegations satisfies Rule 9(b).

18 First, Plaintiffs’ allegation that SeaWorld has superior and exclusive
 19 knowledge of the purportedly undisclosed facts regarding its care of killer whales is
 20 simply a recitation of the legal standard, which is nothing more than a “generalized
 21 allegation” “insufficient to defeat a dismissal motion.” Herron v. Best Buy Co. Inc.,
 22 924 F. Supp. 2d 1161, 1175 (E.D. Cal. 2013). Plaintiffs do not identify the specific
 23 facts that were allegedly within SeaWorld’s exclusive knowledge and would have
 24 been material to Plaintiffs. Moreover, Plaintiffs’ own allegations contradict their
 25 claim that SeaWorld had exclusive knowledge of these unidentified facts because
 26 they plead that they were able to conduct research through which they learned the
 27 purported “true facts” from sources other than SeaWorld. FAC, ¶¶ 254-55, 258,
 28 262, 266, 270; see also, Herron, 924 F. Supp. 2d at 1175-76 (rejecting allegations of

1 exclusive knowledge based in part on article discussing the precise deficiencies that
 2 plaintiff complained were within defendants' exclusive knowledge).

3 Second, Plaintiffs' allegations that SeaWorld's duty arose from its active
 4 concealment of material facts is equally insufficient. Again, Plaintiffs fail to allege
 5 any actions taken by SeaWorld to actively conceal any of the alleged "true facts"
 6 regarding its care of killer whales, instead simply concluding that SeaWorld has
 7 done so. This is not enough. Herron, 924 F. Supp. 2d at 1176 ("[m]ere
 8 nondisclosure does not constitute active concealment. Rather, to state a claim for
 9 active concealment, Plaintiff must allege specific 'affirmative acts on the part of the
 10 [D]efendants in hiding, concealing or covering up the matters complained of.'")
 11 (internal cite omitted).

12 Finally, Plaintiffs fail to specifically identify any partial disclosures made to
 13 them which obligated SeaWorld to make additional disclosures to them, or what
 14 facts should have been disclosed in connection with the alleged partial disclosures.
 15 Plaintiffs' general allegations fall well short of what is necessary to allege a duty to
 16 disclose. Herron, 924 F. Supp. 2d at 1175-76 (plaintiff could not state a claim
 17 based on a partial omission because plaintiff had not specified any partial
 18 representations).

19 (2) Plaintiffs Fail to Sufficiently Allege the Material Information
 20 Which SeaWorld Purportedly Concealed or Omitted

21 Assuming Plaintiffs could overcome their failure to plead SeaWorld's
 22 purported duty, their pleading still fails to state a claim based on non-disclosure or
 23 omission of material facts. "[T]o plead the circumstances of omission with
 24 specificity, plaintiff must describe the content of the omission and where the
 25 omitted information should or could have been revealed, as well as provide
 26 representative samples of advertisements, offers, or other representations that
 27 plaintiff relied on to make her purchase and that failed to include the allegedly
 28 omitted information." Marolda, 672 F. Supp. 2d at 1002; Asghari, 42 F. Supp. 3d

at 1325 (same). The only representations that any of the Plaintiffs allege that they were directly exposed to were allegedly false statements regarding the circumstances of Ms. Brancheau's death that were heard by Hall. However, Hall fails to allege what purportedly withheld information SeaWorld was obligated to disclose in connection with the alleged "partial" statements about Ms. Brancheau's death, or where such withheld information should/could have been revealed.

III. PLAINTIFFS' CLAIMS FOR INJUNCTIVE RELIEF MUST BE DISMISSED FOR LACK OF ARTICLE III STANDING BECAUSE PLAINTIFFS CANNOT DEMONSTRATE A THREAT OF REPEATED INJURY

A. Legal Standard

"[L]ack of Article III standing requires dismissal for lack of subject matter jurisdiction under Federal Rule of Civil Procedure 12(b)(1)." Maya v. Centex Corp., 658 F.3d 1060, 1067 (9th Cir. 2011). Article III standing has a three-element "irreducible constitutional minimum": (1) injury in fact; (2) causation; and (3) redressability. Lujan v. Defenders of Wildlife, 504 U.S. 555, 560-61 (1992).

"Standing must be shown with respect to each form of relief sought, whether it be injunctive relief, damages or civil penalties." Bates v. United Parcel Serv., 511 F.3d 974, 985 (9th Cir. 2007). To have constitutional standing for injunctive relief, Plaintiffs must demonstrate not only that they have "suffered or [are] threatened with a concrete and particularized legal harm," but also that there is "a sufficient likelihood that [they] will again be wronged in a similar way." Id. (quoting City of Los Angeles v. Lyons, 461 U.S. 95, 111 (1983)). In other words, to seek injunctive relief, a plaintiff "must establish a 'real and immediate threat of repeated injury.'" Id. (emphasis added) (quoting O'Shea v. Littleton, 414 U.S. 488, 496 (1974)); Ervine v. Desert View Reg'l Med. Ctr. Holdings, 753 F.3d 862, 868 (9th Cir. 2014) ("[I]t is not the presence or absence of a past injury that determines Article III standing to seek injunctive relief; it is the imminent prospect of future injury.").

1 In a class action, “[u]nless the named plaintiffs are themselves entitled to
 2 seek injunctive relief, they may not represent a class seeking that relief.” Hodgers-
 3 Durgin v. De La Vina, 199 F.3d 1037, 1045 (9th Cir. 1999).

4 **B. Plaintiffs Cannot Meet Their Burden of Demonstrating a Threat**
 5 **of Repeated Injury Because They Do Not Intend to Purchase**
 6 **Future SeaWorld Tickets**

7 Plaintiffs seek injunctive relief as a remedy for their UCL, CLRA, FAL,
 8 FDUTPA, and Texas DTPA claims. FAC ¶¶ 304, 314, 326, 350, 364. Their
 9 purported injury is the money they spent on SeaWorld tickets. However, they lack
 10 Article III standing for injunctive relief because there is no real and immediate
 11 threat that they will again buy SeaWorld tickets.

12 “[T]o demonstrate standing in a consumer class action such as this one, the
 13 named plaintiff must allege that he intends to purchase the produc[t] at issue in the
 14 future.” Frenzel, 76 F. Supp. 3d at 1015 (internal quote omitted, emphasis added).
 15 No named plaintiff has alleged that they intend to purchase SeaWorld tickets in the
 16 future. To the contrary, they specifically allege that had they “known the truth
 17 about the condition and treatment of SeaWorld’s captive orcas, they would not have
 18 paid the purchase price for SeaWorld products.” E.g., FAC ¶ 302. Now they know
 19 their “truth.” Based on their own pleading, then, they will never again purchase
 20 SeaWorld tickets. Indeed, Plaintiff Hall has affirmatively pled that she has stopped
 21 going to SeaWorld and now has “elected to take her grandchildren to LegoLand and
 22 other amusement parks nearby.” FAC ¶ 256. Thus, not only is there no “real and
 23 immediate” threat of repeated injury, such injury is impossible, and their requests
 24 for injunctive relief must be dismissed. See, e.g., Oxina v. Lands’ End, 2015 WL
 25 4272058, at *7 (S.D. Cal. June 19, 2015) (dismissing injunctive relief claims for
 26 lack of Article III standing where the plaintiff did not “allege that she is likely to
 27 purchase the [product] again, or that she is still deceived by the alleged
 28 misrepresentation on Defendant’s website” and thus failed “to allege that there is
 any likelihood” that she “will be wronged in a similar way in the future.”); Burns v.

1 Tristar Prod., Inc., 2014 WL 3728115, at *3 (S.D. Cal. July 25, 2014) (dismissing
 2 injunctive relief claims for lack of Article III standing where plaintiff did not allege
 3 that she intended to purchase the product again in the future and instead
 4 “emphasize[d] multiple times in her complaint that had she known the quality of the
 5 product ... she would not have purchased [it].”); Mason v. Nature’s Innovation,
 6 2013 WL 1969957, at *5 (S.D. Cal. May 13, 2013) (dismissing injunctive relief
 7 claims for lack of Article III standing where it was “apparent that Plaintiff has no
 8 intention of buying Defendant’s [] product again the future.”).

9 **IV. ALL OF PLAINTIFFS’ CLAIMS FAIL TO STATE A CLAIM UPON** 10 **WHICH RELIEF CAN BE GRANTED**

11 **A. Legal Standard**

12 A motion to dismiss for failure to state a claim under Federal Rule of Civil
 13 Procedure 12(b)(6) “tests the legal sufficiency of a claim.” Navarro v. Block, 250
 14 F.3d 729, 732 (9th Cir. 2001). A complaint should be dismissed where it “lacks a
 15 cognizable legal theory or sufficient facts to support a cognizable legal theory.”
 16 Mendiondo v. Centinela Hosp. Med. Ctr., 521 F.3d 1097, 1104 (9th Cir. 2008). To
 17 survive a motion to dismiss, Plaintiffs’ complaint must set forth the grounds of their
 18 entitlement to relief, which requires more than a “formulaic recitation of the
 19 elements of a cause of action[.]” Twombly, 550 U.S. at 555.

20 In ruling on a motion to dismiss, while a court “must take all the factual
 21 allegations in the complaint as true, [it is] not bound to accept as true a legal
 22 conclusion couched as a factual allegation.” Papasan v. Allain, 478 U.S. 265, 286
 23 (1986); In re Gilead Sci.’s Sec. Litig., 536 F.3d 1049, 1055 (9th Cir. 2008) (The
 24 court is not required “to accept as true allegations that are merely conclusory,
 25 unwarranted deductions of fact, or unreasonable inferences.”). If the remaining,
 26 well-pleaded factual allegations “could not raise a claim of entitlement to relief, this
 27 basic deficiency should ... be exposed at the point of minimum expenditure of time
 28 and money by the parties and the court.” Twombly, 550 U.S. at 558 (internal quote

omitted).

When granting a motion to dismiss, the court need not grant leave to amend if amendment would be futile. Reddy v. Litton Indus., Inc., 912 F.2d 291, 296 (9th Cir. 1990). In determining whether amendment would be futile, the court examines whether the complaint could be amended to cure the defect requiring dismissal “without contradicting any of the allegations of [the] original complaint.” Id.

B. All of Plaintiffs’ Statutory Claims Fail Because Plaintiffs Do Not Have an Economic Injury or Actual Damages Caused by Any Alleged Misrepresentation About the Items Purchased

All of Plaintiffs’ statutory claims fail for the simple reason that the alleged misrepresentations of which they complain were not about the items they actually purchased, and they have not suffered any damages as a result of any misrepresentations.

(1) UCL and FAL

For Plaintiffs to have standing under the UCL or FAL, they must “(1) establish a loss or deprivation of money or property sufficient to qualify as injury in fact, i.e. *economic injury*, and (2) show that that economic injury was the result of, i.e., *caused by*, the unfair business practice or false advertising that is the gravamen of the claim.” Kwikset Corp. v. Superior Court, 51 Cal. 4th 310, 322 (2011) (original emphasis); Cal. Bus & Prof. Code §§ 17204; 17535. To establish causation, Plaintiffs “must demonstrate actual reliance on the allegedly deceptive or misleading statements[.]” Kwikset, 51 Cal. 4th at 326 (emphasis added).

Plaintiffs cannot meet either prong. They have not alleged any misrepresentation about the items they actually purchased – SeaWorld tickets. Because of this, it is also impossible for them to meet the second prong – actual reliance on any deceptive statement about the tickets.

a. No Economic Injury

Plaintiffs’ alleged “economic injury” is the price of their tickets. But Plaintiffs fail to allege any misrepresentations SeaWorld made about those tickets.

1 Plaintiffs have not alleged, for example, that the tickets were advertised as two-day
 2 passes but only allowed entry for one day, or that the tickets advertised walruses but
 3 walruses were not exhibited. Plaintiffs have not alleged that the tickets were
 4 advertised as allowing them to attend a show and that they were denied admittance.
 5 Nor do Plaintiffs allege that they were denied entry to the park, that the facilities
 6 were under construction, or that the Shamu Show did not go on as planned.

7 It may be true that in traditional product mislabeling cases a “consumer who
 8 relies on a product label and challenges a misrepresentation contained therein can
 9 satisfy the standing requirement of [the UCL/FAL] by alleging ... that he or she
 10 would not have bought the product but for the misrepresentation,” Kwikset, 51 Cal.
 11 4th at 330, but there must have been a misrepresentation about the product itself.
 12 See Rosales v. FitFlop USA, 882 F. Supp. 2d 1168, 1174 (S.D. Cal. 2012) (“An
 13 economic injury exists where a seller misrepresents a product and, had the product
 14 been represented accurately, buyers would not have been willing to pay as much as
 15 they did for it, or would have refused to purchase it altogether.”) (emphasis added).
 16 Here, Plaintiffs purchased tickets, but they do not allege that SeaWorld made any
 17 misrepresentations about the tickets.

18 Where, as here, the alleged misrepresentation was not about the item actually
 19 purchased, but about something related to the stream of commerce of the item,
 20 statutory standing fails. In an analogous case, Animal Legal Defense Fund v.
 21 Mendes, 160 Cal.App.4th 136 (2008), consumers of milk sued calf ranchers under
 22 the UCL, alleging that the ranchers violated a California Penal Code provision
 23 regarding animal treatment, and had the consumers known of the alleged violation,
 24 they would not have purchased the milk.⁴ The plaintiffs alleged they “suffered
 25 harm and lost money as a result of purchasing dairy products that were unlawfully,

26 ⁴ The provision prohibits confining an animal without an “adequate exercise area,”
 27 and the plaintiffs alleged that the ranchers kept the calves, for up to 60 days at a
 28 time, in small crates that were “not large enough to permit the cal[ves] to turn
 around or lie in a natural position.” Id. at 140.

1 unfairly and illegally produced.” Id. at 141.

2 As in this case, the plaintiffs in Mendes made no complaints about the item
3 they actually purchased (in that case, milk):

4 “They do not allege that the milk sold to them ... was physically
5 inferior to other milk. They do not allege that respondents’ treatment
6 of the young calves has any negative effect on the milk produced by
7 these calves months and years later, when they are in the dairy herd.
8 And they do not allege that anyone made express representations about
9 the milk, similar to express claims that dairy products are organic,
10 produced by non-hormonally enhanced cows, or produced by grass-
11 grazed cows. ... Instead, the consumers’ alleged injury is that they
bought milk they otherwise would not have bought if they had thought
some of the producing herd may have been raised by respondents in
cruel conditions.”

12 Id. at 145-46 (internal citations omitted). The plaintiffs argued that they suffered an
13 economic injury “even though the milk itself was not of inferior physical quality,
14 [because] the violation of anticruelty laws in raising the calves ‘tainted the dairy
15 products sent into the stream of commerce.’” Id. at 147.

16 The California Court of Appeals rejected the plaintiffs’ argument, and
17 affirmed dismissal for lack of economic injury. It held that because the consumers
18 had received the benefit of the bargain for what they actually purchased – the milk
19 – any injury they suffered by virtue of the violation of anticruelty laws “tainting”
20 the milk was a “moral injury,” not an economic one. Id.

21 Plaintiffs’ gambit here is even weaker. They allege that when they purchased
22 their SeaWorld tickets, they assumed that SeaWorld’s killer whales were happy and
23 healthy, and that they lost money because had they known what they now consider
24 to be “the truth” about the whales’ treatment (which, unlike in Mendes, they do not
25 even allege violates any anticruelty or animal welfare laws), they would not have
26 bought the tickets. FAC ¶¶ 302, 324. But they do not allege that there was
27 anything inferior about what they purchased – the tickets for admission to the park.
28 Notably, they do not allege that SeaWorld’s treatment of the whales had any effect

1 on the Shamu show. They paid for SeaWorld tickets and received SeaWorld
 2 tickets.⁵ As Mendes demonstrates, when the consumers' complaint is not about the
 3 item actually purchased, but instead about something in the stream of commerce
 4 that allegedly "tainted" the experience, allegations that the plaintiffs would not have
 5 purchased the ultimate product had they known the truth are insufficient. This is, at
 6 best, a "moral injury," not an economic one, and therefore the claim is fatally
 7 flawed from the outset.

8 b. *No Reliance on Misleading Statement*

9 Because Plaintiffs have not alleged any misleading statements about their
 10 tickets, they do not (and cannot) allege that they relied upon any statements about
 11 those tickets, and thus fail to establish the second requirement for statutory
 12 standing. Kwikset, 51 Cal.4th at 326 (Plaintiffs "must demonstrate actual reliance
 13 on the allegedly deceptive or misleading statements[.]") (emphasis added); Peviani,
 14 774 F. Supp. 2d at 1070 ("actual reliance is required to have standing to sue under
 15 the UCL or FAL."). Even if the allegedly deceptive statements did not have to be
 16 about the items purchased – the tickets – as set forth above, Plaintiffs still
 17 completely fail to allege reliance on any statement by SeaWorld with the specificity
 18 required by Rule 9(b). Supra pp. 5-8 and cases cited therein.

19 (2) CLRA

20 The CLRA states that "[a]ny consumer who suffers any damages as a result
 21 of the use or employment by any person of a method, act, or practice declared to be
 22 unlawful by Section 1770 may bring an action against that person[.]" Cal. Civ.
 23 Code § 1780(a). Some courts have interpreted the CLRA to require the same
 24

25 ⁵ Plaintiffs may argue that SeaWorld made representations about the care of its
 26 whales. But, as discussed above, Plaintiffs do not allege reliance on any particular
 27 factual statement similar to the examples in Mendes (that the milk was organic, or
 28 produced by grass-fed cows, for example). See FAC ¶ 302 ("Plaintiffs and the
 Class relied on SeaWorld to make complete disclosures of all material information
 regarding its captive orcas."). No factual statements are identified.

1 economic injury as the UCL and FAL. See, e.g., Branca v. Nordstrom, Inc., 2015
 2 WL 1841231, at *3 (S.D. Cal. Mar. 20, 2015) (“[T]o have standing to sue under the
 3 FAL, UCL, or CLRA, the plaintiff must allege (1) that he suffered an economic
 4 injury, and (2) that he actually relied on the purported misrepresentation.”)
 5 (emphasis added).

6 Regardless of whether Plaintiffs’ CLRA claim is analyzed with the UCL and
 7 FAL claims or separately, it fails because Plaintiffs have not suffered any damage
 8 as a result of the alleged CLRA violation. Courts have made clear that being
 9 exposed to an unlawful practice is insufficient to establish standing. “[T]he statute
 10 provides that in order to bring a CLRA action, not only must a consumer be
 11 exposed to an unlawful practice, but some kind of damage must result.” Meyer v.
 12 Sprint Spectrum, L.P., 45 Cal.4th 634, 641 (2009); Bower v. AT&T Mobility, 196
 13 Cal.App.4th 1545, 1556 (2011) (“A plaintiff bringing a CLRA cause of action must
 14 not only be exposed to an unlawful practice but also have suffered some kind of
 15 damage.”).

16 Plaintiffs may argue that they suffered “damage” in the form of the cost of
 17 their tickets. As with their UCL and FAL claims, however, Plaintiffs fail to allege
 18 that (1) there was anything wrong with their tickets, or (2) that they relied upon any
 19 misrepresentation about the tickets, both of which are fatal to their claim. For
 20 example, in Boone v. S&F Mgmt. Co., 2009 WL 3049309 (Cal. Ct. App. Sept. 24,
 21 2009), the California Court of Appeals affirmed dismissal of a CLRA claim for lack
 22 of statutory standing where the plaintiff-patient sued the defendant-nursing facility,
 23 alleging that the facility falsely advertised that it provided “skilled nursing care
 24 which will meet the needs of prospective and current residents.” Id. at *1.
 25 Plaintiff-patient alleged that he “relied on these promises and representations when
 26 he signed the admissions agreement, and he lost money when he did not receive the
 27 quality of care for which he had paid.” Id. The court held that the plaintiff lacked
 28 standing because there was “no allegation of what was deficient in the services

1 provided to [plaintiff], nor what harm he suffered for want of services[.]” Id. at *3.
 2 Similarly here, Plaintiffs have not alleged what was deficient about their tickets.

3 Plaintiffs CLRA claim also must be dismissed for failure to plead reliance for
 4 the same reasons as their FAL and UCL claims. Plaintiffs recite the same formulaic
 5 refrain, FAC ¶ 312 (Plaintiffs “purchased SeaWorld products due to the material
 6 omissions about the conditions and treatment of SeaWorld’s captive orcas”), which
 7 fails to meet Twombly’s pleading standards, let alone those of Rule 9(b). See
 8 Guzman v. Bridgepoint Ed., Inc., 2011 WL 4964970, at *5 (S.D. Cal. Oct. 19,
 9 2011) (dismissing CLRA claim; general allegations that plaintiff relied upon
 10 general misrepresentations were insufficient where plaintiff “failed to allege
 11 sufficient facts to show that she relied on any misrepresentations by
 12 Defendants[.]”). See also pp. 5-8, supra, and cases cited therein.

13 (3) Deceit

14 California Civil Code § 1709, which states that “one who willingly deceives
 15 another with intent to induce him to alter his position to his injury or risk, is liable
 16 for any damage which he thereby suffers,” codified the common law actions of
 17 fraud and deceit. Small v. Fritz Co., 30 Cal.4th 167, 172 (2003) (emphasis added).
 18 The essential elements of the claim include “justifiable reliance” on the purported
 19 misrepresentation and “resulting damage.” Lazar v. Superior Court, 12 Cal.4th
 20 631, 638 (1996). “Fraud without damage is not actionable[.]” Bldg. Permit
 21 Consultants, Inc. v. Mazur, 122 Cal.App.4th 1400, 1415 (2004) (internal quote
 22 omitted, emphasis added); Fladeboe v. Am. Isuzu Motors, 150 Cal.App.4th 42, 65
 23 (2007) (“Deception without resulting loss is not actionable fraud.”) (internal quote
 24 omitted).

25 “Under California law, a defrauded party is ordinarily limited to recovering
 26 out-of-pocket damages,” meaning “the difference in actual value at the time of the
 27 transaction between what the plaintiff gave and what he received.” Id. at 66. “[I]t
 28 is fundamental that ‘damages which are speculative, remote, imaginary, contingent,

1 or merely possible cannot serve as a legal basis for recovery.’’ Wells Fargo Bank,
 2 N.A. v. FSI, Fin. Sol., Inc., 196 Cal.App.4th 1559, 1574 (2011) (quoting Piscitelli
 3 v. Friedenberg, 87 Cal.App.4th 953, 989 (2001)).

4 As discussed above, what Plaintiffs purchased were tickets, and they have
 5 not identified any misrepresentation about those tickets. Their deceit claim should
 6 fail on that basis alone. It also fails for Plaintiffs’ failure to plead reliance.

7 However, even if Plaintiffs could otherwise sustain a claim based on
 8 statements that were not about the item they purchased, and that they did not rely
 9 upon (and were not even exposed to), their deceit claim also fails for lack of actual
 10 damages. When there is no difference in value between what was received as a
 11 result of the alleged fraud or deceit and what would have been received absent such
 12 conduct, there has been no damage. See, e.g., First v. Allstate Ins. Co., 222 F.
 13 Supp. 2d 1165, 1173 (C.D. Cal. 2002) (fraud claim failed for lack of damages
 14 where, even if contractor’s qualifications were misrepresented, plaintiffs could not
 15 show that their insurance claim was underpaid); Machado v. Machado, 66
 16 Cal.App.2d 401, 405 (1944) (affirming dismissal of fraud claim because plaintiff
 17 presented no evidence that the property interest he received as a result of the
 18 fraudulent misrepresentation was any less valuable than the property interest he
 19 would have received absent the fraud). Plaintiffs have not alleged that there is any
 20 monetary difference between the value of the tickets they received and those they
 21 paid for. There is none. As such, their deceit claim must be dismissed.

22 (4) FDUTPA

23 Where, as here, Plaintiffs seek damages under the FDUTPA, they must
 24 establish actual damages. Rollins, Inc. v. Butland, 951 So.2d 860, 869 (Fla. Dist.
 25 Ct. App. 2006); Fla. Stat. § 501.211(2) (plaintiffs who have “suffered a loss as a
 26 result of a violation” of the statute “may recover actual damages[.]”). “The
 27 measure of actual damages is the difference in the market value of the product or
 28 service in the condition in which it was delivered and its market value in the

condition in which it should have been delivered according to the contract of the parties.” Rollins, 951 So.2d at 869 (internal quote omitted). The “FDUTPA does not provide for the recovery of nominal damages, speculative losses, or compensation for subjective feelings of disappointment.” Id. at 873 (emphasis added).

Plaintiffs’ FDUTPA claim must fail because they have no actual damages. There is no difference in the market value of SeaWorld tickets in the condition in which Plaintiffs received them and their “market value in the condition in which they should have been delivered.” Plaintiffs paid for SeaWorld tickets and got SeaWorld tickets. They do not allege there was anything defective about them. Where plaintiffs cannot demonstrate a concrete loss of monetary value, their FDUTPA claims must be dismissed. See, e.g., In re Sony Gaming Networks & Customer Data Sec. Breach Litig., 996 F. Supp. 2d 942, 993 (S.D. Cal. 2014) (plaintiffs’ allegations that Sony made misrepresentations about online security and that they would not have sent their personal information to Sony had they known the truth failed to allege “actual damages” under FDUTPA because personal data does not have an apparent monetary value); Petitt v. Celebrity Cruises, Inc., 153 F. Supp. 2d 240, 264 (S.D.N.Y. 2001) (dismissing FDUTPA claim where plaintiffs who became ill on cruise alleged that the cruiseline misrepresented that its ships were part of a “world-class, premium rated fleet which provided sophisticated and five-star services to its passengers” when it permitted sick crew members to remain on duty and interact with passengers because the injuries plaintiffs suffered were not economic). Plaintiffs’ “subjective feelings” are not compensable under the FDUTPA.

(5) Texas DTPA

To have standing to bring a DTPA claim, Plaintiffs must establish that they are “consumers” within the meaning of the act. “A plaintiff must meet two tests to qualify as a consumer: (1) the person must have sought or acquired goods or

1 services by purchase or lease; and (2) the goods or services purchased or leased
 2 must form the basis of the complaint.” Lochabay v. Sw. Bell Media, Inc., 828
 3 S.W.2d 167, 171-72 (Tex. App. 1992) (emphasis added) (affirming summary
 4 judgment for defendant because “the service [plaintiff] purchased did not form the
 5 basis of his complaint[.]”). As noted above, what Plaintiffs purchased were
 6 SeaWorld tickets. But the purported statements that form the basis of the complaint
 7 are not about those tickets. As such, Plaintiffs are not “consumers” under the
 8 DTPA, and they lack standing to bring this claim.

9 Plaintiffs also lack standing for an additional, and related, reason – they
 10 cannot establish the required economic damages. Tex. Bus. & Comm. Code
 11 § 17.50(a) (plaintiffs must have suffered “economic damages or damages for
 12 mental anguish.”).⁶ Economic damages are defined as “compensatory damages for
 13 pecuniary loss[.]” Tex. Bus. & Comm. Code § 17.45(11). Under the DTPA, a
 14 plaintiff can recover for either the “out-of-pocket” measure or the “benefit-of-the-
 15 bargain” measure of economic damages. Everett v. TK-Taito, L.L.C., 178 S.W.3d
 16 844, 858 (Tex. App. 2005). “The out-of-pocket measure compensates for the
 17 difference between what the consumer paid and what he received; the benefit-of-
 18 the-bargain measure compensates for the difference between what a consumer was
 19 promised and what he received.” Id. Damages that are too remote, too uncertain,
 20 or purely conjectural cannot be recovered. Arthur Andersen & Co. v. Perry Equip.
 21 Corp., 945 S.W.2d 812, 816 (Tex. 1997).

22 Again, given that Plaintiffs’ complaints are not about the product actually
 23 purchased, it is unsurprising that they cannot establish the requisite economic
 24 damages. They received what they paid for and what was promised – admission to
 25 SeaWorld parks. Any injury Plaintiffs suffered is not the type that is compensable
 26 under the DTPA. Courts have dismissed DTPA claims where, as here, plaintiffs
 27

28 ⁶ Because Plaintiffs do not claim mental anguish, they must show that they suffered economic damages.

1 received what they paid for and what they were promised but claimed to have some
 2 kind of psychological injury. For example, in Everett, plaintiffs alleged that they
 3 purchased vehicles with seatbelt buckles that had an unmanifested defect – the
 4 seatbelt potentially could cause an injury, but had not done so for plaintiffs. 178
 5 S.W. 3d at 858. The Texas Court of Appeals affirmed dismissal of the DTPA claim
 6 for lack of standing, finding that the plaintiffs had not pled facts “demonstrating the
 7 type of injury that is compensable under the DTPA,” because “they have received
 8 the benefit of their bargain; they were promised and they received seat belt buckles
 9 that latched and provided sufficient restraint.” Id.; see also Matheus v. Sasser, 164
 10 S.W.3d 453, 463 (Tex. App. 2005) (affirming judgment for defendants on DTPA
 11 claim for lack of economic damages; homebuyer did not have benefit-of-the-
 12 bargain damages for misrepresentation of home’s square footage because he did not
 13 bargain for the price of the house based on square footage, and plaintiff’s “intrinsic
 14 value of the property to him for his personal purposes,” was “irrelevant to the
 15 proper measure of damages” under the DTPA) (emphasis added). Similarly, here
 16 Plaintiffs were promised and received admittance to SeaWorld parks and saw
 17 Shamu Shows. Although they plead generally that they believe SeaWorld’s killer
 18 whales are not as happy as whales in the wild, they have not identified any way in
 19 which that affected their purchase – they do not allege that the Shamu Show was
 20 unable to go on, or even that the performance was lackluster. Any “intrinsic value”
 21 of the whales’ welfare to the Plaintiffs is not compensable under the DTPA.

22 To the extent Plaintiffs claim that there is somehow a monetary difference
 23 between a park experience with “happy” whales and a park experience with
 24 “unhappy” whales, that measure is purely conjectural, and not recoverable under
 25 the DTPA. See, e.g., In re Sony Gaming Networks & Customer Data Sec. Breach
 26 Litig., 996 F. Supp. 2d at 1007-08 (dismissing DTPA claim with prejudice for lack
 27 of economic damages; even if Sony’s misrepresentation of the security of its online
 28 services resulted in plaintiffs being more vulnerable to cyberstalking and phishing,

1 this would be insufficient because the DTPA does not allow plaintiffs to recover for
2 speculative or conjectural damages).

3 **C. Plaintiffs' UCL, CLRA, FAL, and FDUTPA Claims are Also**
4 **Barred by the First Amendment**

5 The UCL, CLRA, and FAL “govern only commercial speech.” Stutzman v.
6 Armstrong, 2013 WL 4853333, at *14 (E.D. Cal. Sept. 10, 2013). “Noncommercial
7 speech is beyond their reach.” Id. Accordingly, where a plaintiff’s claims arise out
8 of noncommercial speech, the First Amendment bars those claims as a matter of
9 law. New.Net, Inc. v. Lavasoft, 356 F. Supp. 2d 1090, 1110 (C.D. Cal. 2004)
10 (“Lawsuits premised on [the UCL and related statutes] are subject to being stricken
11 because they are barred by the First Amendment where the speech complained of is
12 not commercial speech.”); Stutzman, 2013 WL 4853333, at *19 (“UCL, FAL, and
13 CLRA claims targeting noncommercial speech fail as a matter of law.”).
14 Noncommercial speech is also beyond the reach of the FDUTPA. Gorran v. Atkins
15 Nutritionals, Inc., 279 Fed. Appx. 40, 42 (2d Cir. 2008) (per curiam) (holding that
16 FDUTPA claim was barred because the content on which the plaintiff sought to
17 premise liability was noncommercial speech).

18 (1) Legal Standard for Commercial Speech

19 “The Ninth Circuit has adopted a three-pronged analysis based on Supreme
20 Court precedent to determine whether speech is commercial.” Stutzman, 2013 WL
21 4853333, at *15. “First, the court considers whether the publication fits within the
22 ‘core notion of commercial speech.’ ‘Core’ commercial speech is ‘speech which
23 does no more than propose a commercial transaction.’” Id. (quoting Dex Media
24 West, Inc. v. City of Seattle, 696 F.3d 952, 957 (9th Cir. 2012)). Second, if the
25 speech “does more than propose a commercial transaction, but contains ‘mixed
26 content’ – that is, both commercial and non-commercial elements” – the Ninth
27 Circuit applies the test from Bolger v. Youngs Drug Prods. Corp., 463 U.S. 60
28 (1983), to determine if the speech should be considered commercial. Id. Under

Bolger, there is “strong support” for a conclusion that speech is commercial when: (1) it is conceded to be an advertisement; (2) it refers to a specific product; and (3) the speaker has an economic motive for engaging in the speech. Bolger, 463 U.S. at 66-67; Charles v. City of Los Angeles, 697 F.3d 1146, 1151 (9th Cir. 2012) (“where the speech is an advertisement, the speech refers to a particular product, and the speaker has an economic motivation,” it is commercial). Third, even if the speech is commercial under Bolger, it can “still receive[] First Amendment protection” if “the commercial aspects of the speech are ‘inextricably intertwined’ with otherwise fully protected speech[.]” Stutzman, 2013 WL 4853333 at *15.

(2) Plaintiffs’ UCL, CLRA, FAL, and FDUTPA Claims Must be Dismissed Because They Target SeaWorld’s Non Commercial Speech

Because Plaintiffs do not identify what SeaWorld statements they relied upon (or even were exposed to), it is difficult to decipher what exactly Plaintiffs are suing over. However, the SeaWorld statements in the FAC (regardless of whether Plaintiffs relied on them or even heard them), are noncommercial and thus not subject to the UCL, CLRA, FAL, or FDUTPA. For example:

- Statements about SeaWorld’s respect for the bond between mothers and calves (FAC ¶¶ 71, 83, 87, 92)
- Statements about killer whale lifespans (Id., ¶¶ 116, 117)
- Statements about SeaWorld’s facilities (Id., ¶¶ 31, 46, 48, 93, 94)
- Statements about SeaWorld’s research (Id., ¶¶ 41, 43, 47, 50)
- Statements that SeaWorld’s killer whales are healthy (Id., ¶¶ 46, 94, 106)

None of these statements is “core” commercial speech, because they do more than “propose a commercial transaction.” Bolger, 463 U.S. at 66. In fact, none of them proposes a commercial transaction at all. Bernardo v. Planned Parenthood Fed’n of Am., 115 Cal.App.4th 322, 344 (2004) (website statements that abortions were as safe as childbirth did not propose a commercial transaction but rather were “educational in nature and asserted [defendant’s] positions on disputed scientific

1 and medical issues of public interest with which [plaintiff] strenuously disagreed.”);
 2 Gorran, 279 Fed. Appx. at 41 (statements about low-carbohydrate diet in book and
 3 on website were not commercial speech and thus entitled to full First Amendment
 4 protection against FDUTPA claim because they were “not expressions related
 5 solely to the economic interests of the speaker and its audience, but instead s[ought]
 6 to communicate a particular view on health, diet, and nutrition[.]”) (internal
 7 citations omitted). Like the speech in Bernardo and Gorran, SeaWorld’s statements
 8 about killer whale lifespans, health, and rearing practices are educational and set
 9 forth SeaWorld’s position on the currently debated scientific issue of killer whales
 10 in captivity. Because the statements do not propose commercial transactions at all,
 11 “under the Ninth Circuit’s analysis, the inquiry should end here.” Stutzman, 2013
 12 WL 4853333, at *17; Mattel, Inc. v. MCA Records, 296 F.3d 894, 906 (9th Cir.
 13 2002) (“If speech is not ‘purely commercial’ – that is, if it does more than propose a
 14 commercial transaction – then it is entitled to full First Amendment protection.”).

15 However, even if the statements were “mixed content” – both commercial
 16 and non-commercial – such that the Bolger factors applied, the statements are not
 17 “commercial” under Bolger either. First, the statements are not advertisements;
 18 they are participation in a scientific debate. Bernardo, 115 Cal.App.4th at 345
 19 (finding that statements about abortion on Planned Parenthood’s website were
 20 “educational, not commercial, in nature.”). Second, they do not refer to any
 21 “product.” None of the statements makes reference to SeaWorld tickets, or
 22 merchandise sold at the parks, etc. The first two Bolger factors thus weigh against
 23 a finding that the statements are commercial. Finally, even if SeaWorld had an
 24 economic motive in making the statements, the Supreme Court, Ninth Circuit, and
 25 other courts repeatedly have held that this does not make statements “commercial”
 26 speech. Bolger, 463 U.S. at 67 (economic motivation of the speaker in isolation is
 27 “clearly insufficient” to make statement commercial speech); Dex Media, 696 F.3d
 28 at 960 (“under *Bolger* and other Supreme Court precedent, economic motive in

1 itself is insufficient to characterize a publication as commercial[.]”); Stutzman,
 2 2013 WL 4853333 at *17 (statements were not commercial even though it was
 3 “quite likely” that defendants “had underlying economic motives,” because the
 4 other two Bolger factors were not met); Bernardo, 115 Cal.App.4th at 345-46 (“any
 5 ‘economic motivation’ Planned Parenthood may have had in publishing the Web
 6 site speech that [plaintiff] challenges ... would be insufficient by itself to turn the
 7 statements into commercial speech actionable under the UCL and FAL.”).⁷

8 As illustrated by the strikingly similar Bernardo case, the First Amendment
 9 bars Plaintiffs’ claims. There, the plaintiffs alleged that Planned Parenthood and its
 10 affiliated health center violated the UCL and FAL because their websites contained
 11 misleading statements about the safety of abortions, including the potential link
 12 between abortion and breast cancer. Id. at 327-28. Like Plaintiffs here, the
 13 plaintiffs in Bernardo sought an injunction prohibiting Planned Parenthood from
 14 publishing its side of the debate. Id. at 328. Planned Parenthood moved to strike
 15 the complaint, arguing that the lawsuit was an attempt “to use California’s
 16 consumer protection statutes to thwart Planned Parenthood from exercising its
 17 constitutional right to speak about abortion ... [and] force it to adopt Bernardo’s
 18 view of medicine on Planned Parenthood’s own Web sites ... based on ‘very
 19 questionable science’ and Bernardo’s anti-abortion agenda.” Id. at 336. Similarly
 20 here, Plaintiffs seek to use the same statutes to thwart SeaWorld from exercising its
 21 First Amendment right to speak about the effects of captivity on killer whales based

22 ⁷ Because the statements are not “commercial” under Bolger, there is no need to
 23 undertake the “inextricably intertwined” analysis. However, the Bernardo court
 24 found that even if other portions of Planned Parenthood’s website, such as
 25 provision of a toll-free number and hyperlinks to information about specific clinics
 26 and services constituted commercial speech, “the noncommercial speech published
 27 in the various Web pages would still receive full First Amendment protection.”
 28 Bernardo, 115 Cal.App.4th at 346. Accordingly, even if SeaWorld’s website
 contains commercial elements, such as links to purchase tickets, this does not
 convert the noncommercial speech over which Plaintiffs sue into commercial
 speech.

on dubious science and their own anti-captivity agenda. The California Court of Appeals agreed with Planned Parenthood, holding that the statements on Planned Parenthood's websites were noncommercial speech and thus fully protected by the First Amendment from UCL and FAL claims. *Id.* at 351. It held that plaintiffs' lawsuit was an improper attempt to stifle Planned Parenthood's First Amendment rights, and affirmed dismissal of plaintiffs' UCL and FAL claims.

The same result should follow here. Plaintiffs have a First Amendment right to express their views about killer whales. SeaWorld has the same right. "The First and Fourteenth Amendments embody our 'profound national commitment to the principle that debate on public issues should be uninhibited, robust, and wide-open[.]'" Garrison v. Louisiana, 379 U.S. 64, 75 (1964) (quoting New York Times v. Sullivan, 376 U.S. 254, 270 (1964)). Where "suppression of speech suggests an attempt to give one side of a debatable public question an advantage in expressing its views to the people, the First Amendment is plainly offended." First Nat'l Bank of Boston v. Bellotti, 435 U.S. 765, 785-86 (1978).

D. The CLRA Claim (and UCL Claim Based on it) Must be Dismissed with Prejudice Because SeaWorld Tickets are Outside the Scope of the CLRA

The CLRA prohibits various practices in "transaction[s] intended to result or which result[] in the sale or lease of goods or services to any consumer." Cal. Civ. Code § 1770. The statute defines "goods" as "tangible chattels bought or leased primarily for personal, family, or household purposes, including certificates or coupons exchangeable for these goods[.]" Cal. Civ. Code § 1761(a).⁸ The definition of "services" is "work, labor, and services for other than a commercial or business use, including services furnished in connection with the sale or repair of

⁸ "Tangible property is that which is visible and corporeal, having substance[.]" Boling v. Trendwest Resorts, 2005 WL 1186519, at *4 (Cal. Ct. App. May 19, 2005) (affirming dismissal of CLRA claim; vacation club memberships are not "tangible chattels" and thus not "goods") (quoting Navistar Int'l Trans. Corp. v. State Bd. of Equalization, 8 Cal.4th 868, 875 (1994)).

1 goods.” Cal. Civ. Code § 1761(b).

2 The California Supreme Court has made clear that if the case does not
3 involve a “good” or “service” within the plain language of the statute, the CLRA
4 claim must be dismissed. Fairbanks v. Superior Court, 46 Cal.4th 56, 61 (2009)
5 (affirming judgment on the pleadings for defendant on CLRA claim based on
6 defendant’s life insurance practices; CLRA did not apply because life insurance is
7 neither a “good” nor a “service” as defined by the statute).

8 Here, Plaintiffs purchased SeaWorld tickets. The tickets were temporary
9 licenses, allowing them to enter the park, visit exhibits, and attend shows. The
10 tickets themselves have no value, but rather exist as indicia of the privilege of
11 entertainment extended to the ticket holder. A SeaWorld ticket thus is not a
12 tangible chattel, so it is not a CLRA “good.” See Berry v. Am. Express Publ’g,
13 Inc., 147 Cal.App.4th 224, 229 (2007) (holding that a credit card is not a CLRA
14 “good” because “the card has no intrinsic value and exists only as indicia of the
15 credit extended to the cardholder.”); Lazebnik v. Apple, Inc., 2014 WL 4275008, at
16 *5 (N.D. Cal. Aug. 29, 2014) (holding that “the Season Pass is not a ‘good’ within
17 the meaning of the CLRA” because it is “not a tangible chattel.”).

18 Nor is a SeaWorld ticket work or labor, so it is not a CLRA “service.”
19 Fairbanks, 46 Cal.4th at 61 (holding that life insurance is not a “service” under the
20 act because it is “not work or labor, nor is it related to the sale or repair of any
21 tangible chattel.”). “Because the statutory language is unambiguous, there is no
22 need to consider legislative history.” Id. However, the CLRA’s legislative history
23 underscores the point. As the California Supreme Court stated in Fairbanks, “[t]he
24 California Legislature adopted [the CLRA] largely from a model law, the National
25 Consumer Act,” which defined “services” as including “(a) work, labor, and other
26 personal services, (b) privileges with respect to transportation, hotel and restaurant
27 accommodations, education, entertainment, recreation, physical culture, hospital
28 accommodations, funerals, cemetery accommodations, and the like and

(c) insurance.” Id. (emphasis added). The California Legislature did not include privileges with respect to entertainment in the CLRA’s definition of “services,” thereby indicating its intent not to treat entertainment as a service under that statute. See id. (when a statute is modeled on a uniform act, deviation from the uniform act’s language is presumed to be deliberate and reflect a different intent.). Had the California Legislature intended the CLRA to cover privileges with respect to entertainment, it would have adopted that language from the uniform act. It did not.

Because SeaWorld tickets are neither “goods” nor “services” under the CLRA, and amendment of the pleadings would not cure this defect, the CLRA claim should be dismissed with prejudice. See Palestini v. Homecomings Fin., LLC, 2010 WL 3339459, at *11 (S.D. Cal. Aug. 23, 2010) (dismissing CLRA claim with prejudice because mortgage loans are neither goods nor services as defined by the Act); I.B. ex rel. Fife v. Facebook, Inc., 905 F. Supp. 2d 989, 1008 (N.D. Cal. 2012) (dismissing CLRA claim with prejudice because “Facebook Credits” are not goods or services covered by the Act, and amendment would not cure that defect).

For the same reason, the portion of Plaintiffs’ UCL claim purportedly based on a CLRA violation, (see FAC ¶ 299), must also be dismissed. “Where a plaintiff cannot state a claim under the ‘borrowed’ law, she cannot state a UCL claim either.” Silcox v. State Farm Mut. Auto. Ins. Co., 2014 WL 7335741, at *5 (S.D. Cal. Dec. 22, 2014); see also McMahon v. Take-Two Interactive Software, 2014 WL 324008, at *10 (C.D. Cal. Jan. 29, 2014) (dismissing UCL claim predicated on CLRA claim because the software at issue was not a CLRA “good” or “service”).

E. The Unjust Enrichment Class Claims Must be Dismissed Because, as a Matter of Law, they are Incapable of Class Treatment

Plaintiffs purport to bring unjust enrichment claims on behalf of the Florida and Texas classes. FAC ¶ 367. Unjust enrichment claims under Florida and Texas law are incapable of class treatment because they require “individualized inquiries

concerning the reasons each class member purchased” the product in order to determine whether the defendant’s retention of the purported price premium would be “unjust.” In re ConAgra Foods, Inc., -- F. Supp. 3d --, 2015 WL 1062756, at *44 (Florida); *62-63 (Texas) (C.D. Cal. Feb. 23, 2015). This is true even when the benefit received by the defendant is uniform, because “individual differences between each class member’s experience will necessitate individualized inquiries to determine in whose favor the equities weigh in resolving [class members’] claims.” Id. at *62 (internal quote omitted). Because these claims are not susceptible to class treatment as a matter of law, the class claims should be dismissed.

V. CONCLUSION

For the reasons stated herein, and as summarized in the chart below, Plaintiffs’ First Consolidated Amended Complaint should be dismissed in its entirety:

<u>Claim</u>	<u>Bases for Dismissal</u>
(1) UCL	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • (injunctive relief remedy) No constitutional standing – no likelihood of future injury • No statutory standing – lack of economic injury • First Amendment • (unlawful prong) SeaWorld tickets outside the scope of CLRA – not “goods” or “services”
(2) CLRA	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • (injunctive relief remedy) No constitutional standing – no likelihood of future injury • No statutory standing – lack of damages • First Amendment • SeaWorld tickets outside the scope of the statute – not “goods” or “services”

<u>Claim</u>	<u>Bases for Dismissal</u>
(3) FAL	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • (injunctive relief remedy) No constitutional standing – no likelihood of future injury • No statutory standing – lack of economic injury • First Amendment
(4) Deceit	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • No actual damages
(5) FDUTPA	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • (injunctive relief remedy) No constitutional standing – no likelihood of future injury • No statutory standing – lack of actual damages • First Amendment
(6) Texas DTPA	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • (injunctive relief remedy) No constitutional standing – no likelihood of future injury • No statutory standing – lack of economic injury
(7) Unjust Enrichment	<ul style="list-style-type: none"> • Failure to comply with Rule 9(b) • Cannot certify a class as a matter of law

Dated: October 5, 2015 NORTON ROSE FULBRIGHT US LLP

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PROOF OF SERVICE

I hereby certify that a true copy of the above Memorandum of Points and Authorities in Support of Defendant's Motion to Dismiss was served upon the attorney of record for each other party through the Court's CM/ECF filing system on October 5, 2015.

/s/ John M. Simpson

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